

Cool Springs: Office oasis leads market

Abundance of corporate centers more than triples available square footage, lures companies with campus setting

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Make no mistake, Cool Springs was already more than a retail and shopping destination at the turn of the century.

What remains as the area's largest office-space development — the 520,000-square-foot Primus Automotive Financial building — was erected in 1996.

But it was in the past decade that Cool Springs emerged as the dominant submarket for the top-tier Class A office space in the Greater Nashville area.

According to Nick Minadeo, research director for real estate firm Colliers Turley Martin Tucker, the submarket started 2000 with 1.4 million square feet of Class A space. It finished 2009 with 4.73 million square feet of Class A space.

Pat Emery, now president of Spectrum Properties/Emery, has seen the Cool Springs growth first-hand. As Tennessee regional manager for Crescent Resources, he helped develop more than 1.5 million square feet of office space, including some of the area's first.

Emery estimates that, over the past decade, Cool Springs represented one-third of the entire Nashville area's leasing absorption, that is, growth in the total amount of leased space.

"That's pretty awesome," he said, adding that the influence is even more marked in the past four years, estimating 75 percent of the area's absorption occurred in Cool Springs.

Much of the Cool Springs growth has been driven by corporate relocations.

Mars Petcare U.S. put its national headquarters in Duke Realty's Aspen Grove Office Center II in 2007. Verizon opened a 180,000-square-foot regional headquarters in Cool Springs in 2008, also in a Duke development. Healthways, a disease management company, relocated from Green Hills, moving into its 255,000-square-foot headquarters, constructed by Highwoods, in 2008.

The biggest get was Nissan, which opened its 460,000-square-foot, 10-story North American headquarters in Cool Springs in July 2008.

And while incentives always will be used to entice companies like Nissan, Emery said the development of office space in Cool Springs happened because the market was right for it, not because of incentives or intervention from Franklin or Williamson County.

"It's better just to let it (development) happen as it naturally would happen," he said. Carrot sticks and incentives may inspire temporary demand, but can lead to later doldrums, he said.



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Developer Pat Emery helped build more than 1.5 million square feet of office space in Cool Springs, including some of the area's first.

From too far to just right

But what made Cool Springs such a submarket player? As Minadeo put it, Cool Springs was once seen like Murfreesboro — too far down the road to be truly relevant.

Dick Fleming, a principal with Nashville Commercial Real Estate Services, said two additions changed that perception: the proliferation of executive housing and the 1991 opening of CoolSprings Galleria.

Tom Miller, a former alderman (1997-2003) and mayor (2003-2007) of Franklin, sees the development of Cool Springs office space as a cascading series of events, starting with the quality of Williamson County Schools.

“Good schools bring people,” he said, which begets more retail, which begets more commercial development. “... Now all of a sudden, Cool Springs was not as far out as was once thought.”

Miller said Cool Springs caught a break by having talented developers shepherding the early days: CBL, with its CoolSprings Galleria; Hines Interests, which developed a master plan for the area; and Crescent Resources, which built the first buildings in the Hines development.

In addition to Crescent Resources, Duke Realty and Highwoods, Boyle Investment Co. also has developed several Cool Springs projects.

Minadeo calls Cool Springs’ continuing ability to attract office tenants a “flight to quality.”

“It’s more like a campus setting,” he said, with greenways, sidewalks, restaurants and grocery stores.